

**testimony2023sb179ltr.pdf**

Uploaded by: Franz Schneiderman

Position: FAV



**Auto Consumer Alliance**  
13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

---

**Testimony to the Senate Finance Committee**  
**SB 179 – Consumer Protection – Retail Sales – Return and Exchange Policy**  
**(Right to Refund Information Act)**  
**Position: Favorable**

Feb. 8, 2023

The Honorable Melony Griffith  
Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Senate Finance Committee

**Honorable Chair Griffith and Members of the Committee:**

I'm a consumer advocate and Executive Director of Consumer Auto, a non-profit group that works for safety, transparency, and fair treatment for Maryland drivers and car buyers.

We support **SB 179** because it would help Maryland consumers get better information about a retailer's refund policies **BEFORE** they make a purchase, either at the point of sale for an in-person transaction or on a page the consumer sees before completing an online sale.

Under current rules, retailers are required to post their refund policies. If retailers don't post their rules, they are required to accept returns in a reasonable time frame and provide consumers with a refund or an exchange of merchandise.

But this bill clarifies that the disclosure must be made prominently at the point of sale, rather than in some other place in the store where the consumer may not see it or on a receipt or record of sale that the consumer will not see until his or her purchase is completed.

That rule should help buyers know the store's policy before they buy – and help prevent costly and unpleasant mistakes and rancorous disputes over their purchases.

We ask you to give **SB 179** a **FAVORABLE** report.

Sincerely,

Franz Schneiderman  
Consumer Auto

# **SB 179 - Letter of Support.pdf**

Uploaded by: Karen Straughn

Position: FAV

**ANTHONY G. BROWN**  
*Attorney General*

**CANDACE MCLAREN LANHAM**  
*Chief of Staff*

**CAROLYN A. QUATTROCKI**  
*Deputy Attorney General*



**WILLIAM D. GRUHN**  
*Chief*  
Consumer Protection Division

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

Writer's Fax No.

Writer's Direct Dial No.

410-576-7942  
[kstraughn@oag.state.md.us](mailto:kstraughn@oag.state.md.us)  
Fax: 410-576-7040

February 8, 2023

To: The Honorable Melony Griffith  
Chair, Finance Committee

From: Karen S. Straughn  
Consumer Protection Division

Re: Senate Bill 179 – Consumer Protection – Retail Sales – Return and Exchange Policy  
(Right to Refund Information Act) (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 179 submitted by Senator Cheryl C. Kagan. This bill codifies the Maryland Refund Rule that currently appears in COMAR but makes changes to ensure greater transparency for consumers about a merchant's refund policy prior to the purchase of the goods or services.

The Maryland Refund Rule currently requires a business that imposes any limitations on refunds and exchanges to (1) post the refund policy (a) in the store, or (b) on a label attached to the goods, or (2) provide the policy on the back of the receipt that is given once an item is purchased. Senate Bill 179 continues to permit posting in the store or on a label attached to the goods but prohibits merely placing the policy on the back of the receipt since the consumer would not receive a copy of the merchant's policy prior to purchase, which is when a consumer can make an educated decision as to whether they wish to purchase the item.

If the item is purchased over the internet, most businesses currently provide the policy as part of their terms and conditions, which consumers often do not review prior to purchase. This bill would instead require that online businesses provide the refund policy on a webpage that the consumer must view before completing the transaction. Once again, this provides greater transparency prior to the purchase.

For these reasons, the Consumer Protection Division asks that the Finance Committee return a favorable report on this bill.

cc: The Honorable Cheryl C. Kagan  
Members, Finance Committee

**SB 179 - MoCo\_Boucher\_FAV (GA 23).pdf**

Uploaded by: Kathleen Boucher

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

---

**ROCKVILLE: 240-777-6550**

**ANNAPOLIS: 240-777-8270**

---

**SB 179**

**DATE: February 8, 2023**

**SPONSOR: Senator Kagan**

**ASSIGNED TO: Finance**

**CONTACT PERSON: Kathleen Boucher (Kathleen.boucher@montgomerycountymd.gov)**

**POSITION: Support (Office of Consumer Protection)**

---

### **Consumer Protection – Retail Sales – Return and Exchange Policy (Right to Refund Information Act)**

This bill seeks to add a new section to Maryland's Consumer Protection Act to enhance the law relating to merchants' refund and exchange policies. Current refund and exchange policy law is mainly addressed in the Code of Maryland Regulations (COMAR) and allows merchants to be deemed in compliance with Maryland law as long as any refund or exchange policy is included on their receipts.

Since receipts are not provided to consumers until after the transaction is consummated, in many cases consumers will not have notice of the refund and exchange policies prior to a purchase. This bill will codify in Maryland's Consumer Protection Act that notice of refund and exchange policies must be disclosed before the consumer pays for the merchandise and cannot only be included on merchants' receipts. It is beneficial to all consumers in Montgomery County to know a merchant's refund and exchange policies before paying for any merchandise, therefore, the Office of Consumer Protection supports this legislation.

# **SB179\_ Refund Policy Update .pdf**

Uploaded by: Sen. Cheryl Kagan

Position: FAV

CHERYL C. KAGAN  
Legislative District 17  
Montgomery County

---

*Vice Chair*  
Education, Energy, and  
the Environment Committee

---

Joint Audit and Evaluation Committee  
Joint Committee on Federal Relations



Miller Senate Office Building  
11 Bladen Street, Suite 2 West  
Annapolis, Maryland 21401  
301-858-3134 · 410-841-3134  
800-492-7122 Ext. 3134  
Fax 301-858-3665 · 410-841-3665  
Cheryl.Kagan@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**SB179: “Refund Policy Update”**  
Finance Committee  
Wednesday, February 8, 2023 1:00pm

Maryland law requires that retailers must inform their customers of their return policy. Currently, merchants are allowed to post their return policy on the receipt of sale to give notice. As a result, consumers are not informed of the policy until after the transaction is final.

In cases where no returns are accepted, a notice via receipt is too late for an individual to make an informed decision. This practice is unfair and puts customers in a vulnerable position. Consumers deserve to know the return policy before a transaction is finalized so they can make an informed decision.

[SB179](#) would update the requirements surrounding merchants’ notice of the refund and exchange policies. This would require displaying their policy on the label of an item; at the point of sale; or on a webpage a consumer must view for online transactions.

Furthermore, this legislation states that including return policies in the terms and conditions or on the receipt would not satisfy the requirement introduced in this legislation, as these are often tactics used to deceive consumers.

**I urge the committee to give a favorable report with amendment to SB177.**